

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 NIC-01

A-01 SCCT-01 SY-05 OPR-02 SCS-03 SAM-01 AID-05

COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 /098 W
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R 211529Z MAR 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 2192

INFO AMCONSUL OPORTO

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E.O. 11652: N/A

TAGS: ECON, PO

SUBJ: SITUATION IN U.S. FIRMS REMAINS CALM

REF: LISBON 1368

1. AT THIS MOMENT, 10 DAYS AFTER THE UPHEAVAL OF MARCH 11, U.S. BUSINESS CONTINUES TO OPERATE RELATIVELY NORMALLY. ONLY TWO FIRMS APPEAR TO HAVE PROBLEMS. ATTENDANCE AT THE MONTHLY BUSINESSMEN'S MEETING ON MARCH 19 WAS AVERAGE AND THE DISCUSSION CENTERED ON THE POLITICAL SITUATION RATHER THAN SPECIFIC PROBLEMS AFFECTING PRESENT PRODUCTION.

2. ON MARCH 14 THE OFFICES OF MUELLER MONTAGEN LTD., A SMALL LISBON-BASED CONSTRUCTION FIRM OWNED BY A U.S. CITIZEN, WAS OCCUPIED BY THE WORKERS AND MUELLER WAS EVICTED FROM THE PREMISES. THE FIRM EMPLOYS 60 AND HAS APPROXIMATELY, \$600,000 WORTH OF EQUIPMENT. IN RESPONSE TO MUELLER'S APPEAL FOR ASSISTANCE, THE EMBASSY HELPED ARRANGE NEGOTIATIONS BETWEEN HIM, THE LABOR MINISTRY AND THE WORKERS. WILL REPORT PROGRESS.

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3. THE U.S. -CITIZEN MANAGER OF GENERAL MOTORS CALLED ON THE EMBASSY MARCH 20 TO REPORT LOW-LEVEL BUT POTENTIALLY SERIOUS INTERFERENCE BY TWO GOP AGENCIES. THE "COMMISSION TO EXTINGUISH THE PIDE/DGS" IS USING PILFERED CONFIDENTIAL PERSONNEL DOCUMENTS FROM COMPANY FILES IN ITS INVESTIGATION OF POSSIBLE TIES BETWEEN FM EMPLOYEES AND PIDE/DGS. THE COMMISSION ASKED THE WORKERS TO GET DOCUMENTS INSTEAD OF REQUESTING THEM FROM GM MANAGEMENT. SECONDLY, COPCON RECENTLY CALLED IN WORKERS FROM GM AND INSTRUCTED THE WORKERS TO COLLECT ALL AVAILABLE MATERIAL ON THE NAMES, BACKGROUND AND FUNCTION OF FOREIGNERS AT GM. COPCON IS ALSO SEEKING FINANCIAL, PRODUCTION AND MARKETING DATA.

4. AS FAR AS EMBASSY IS AWARE, ONLY ONE U.S. MANAGER HAS LEFT PORTUGAL BECUASE OF MARCH 11. HIS PLANT, BLUE BELL, APPARENTLY CONTINUES TO OPERATE AND MANAGER IS EXPECTED TO RETURN.

5. EMBASSY HAS RECEIVED SEVERAL CALLS FROM U.S. BANKERS IN U.S. AND MADRID INQUIRING ABOUT BANK NATIONALIZATION. INTEREST FOCUSES UPON GOP ADHERENCE TO COMMITMENTS AND ON POSSIBLE COMPENSATION. SEVERAL BANKERS HAVE INDICATED PLANS TO VISIT LISBON SHORTLY.

6. COMMENT: ACCORDING TO AN EMBASSY CHART EIGHT U.S. FIRMS SUFFERED LABOR PROBLEMS IN THE 30 DAYS BEFORE MARCH 11. THESE RANGED FROM A LOCK-IN AT TIMEX, TO A DEMONSTRATION AGAINST FORD, TO WORKERS COMMUNIQUE PRESENTING GRIEVANCES AGAINST ITT, J. WALTER THOMPSON AND IBM. THESE FIGURES INDICATE THAT THE PROBLEMS OF U.S. FIRMS SINCE MARCH 11 HAVE NOT SIGNIFICANTLY INCREASED. ONE EMBASSY SOURCE HAS INDICATIONS THAT THE RELATIVE LABOR PEACE IS ATRIBUTABLE TO AN INTER-SINDICAL POLICY TO KEEP PRODUCTION LEVELS STABLE. CARLUCCI

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